

CANADA MALTING CO. LIMITED

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ANNUAL REPORT

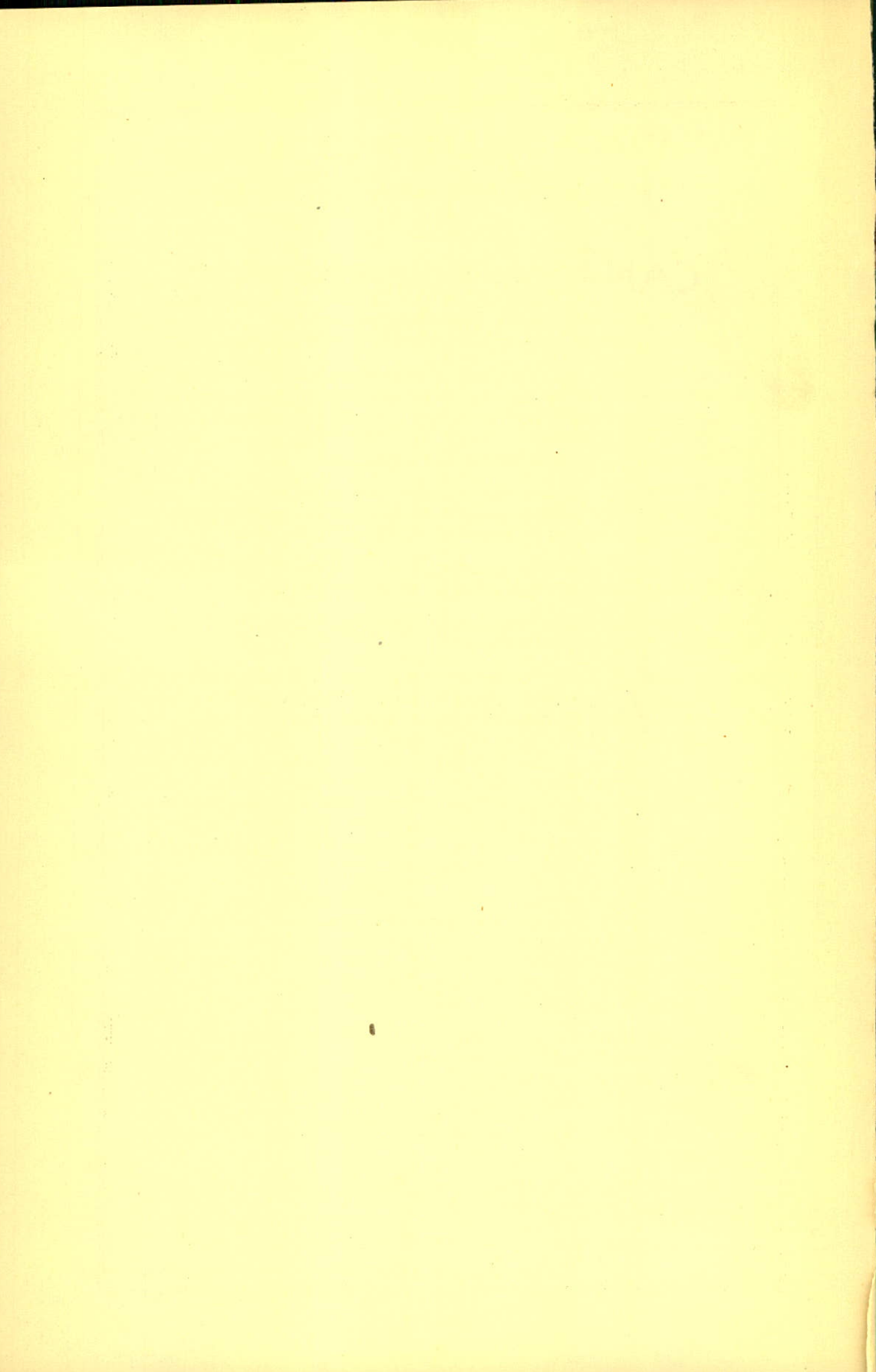
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For Fiscal Year
Ending July 31, 1934

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Report of the Directors to the Shareholders of **CANADA MALTING CO., LIMITED**

For the Fiscal Year ending July 31, 1934

The Directors of CANADA MALTING CO., LIMITED, beg to present herewith Balance Sheet as at July 31, 1934, and Statement of Profit and Loss for the year ending on that date, as certified to by the Auditors of the Company, Messrs. Price, Waterhouse & Co.

Net profits for the year, after making ample provision for depreciation of machinery and plant, bad and doubtful debts, and Income Taxes, amounted to \$620,384.31. The provision for depreciation was \$200,000.00, which amount is that allowed by the Dominion Government Income Tax Department.

Inventory of materials on hand was taken on a cost basis, which was slightly lower than the market, with a conservative provision made in respect to forward malt sales contracts.

The item of investments consists of Government and Municipal Bonds and sound Preferred Stocks, all readily marketable.

The net working capital of the Company was \$2,329,114.48, as against \$1,861,120.14 in 1933.

Business during the period under review was maintained at a very satisfactory volume. In our last report, some reference was made to the relative percentage of domestic and export sales to total sales. In the year ending July, 1933, export sales were 42%, domestic 58%; in the year just completed, export amounted to 53% and domestic 47%. There has been some improvement in this ratio in the first three months of the current year, when the percentages have been—export 40%, domestic 60%. This improvement is due to the new Ontario law coming into effect last July. Sales during the current year are being well maintained.

During the several preceding years of low grain prices, the Company had built up an appreciable inventory of finished products. The major part of this accumulated inventory was disposed of for export during the year under review at very satisfactory prices, thus adding to the net profits. Unfortunately, this opportunity will not occur to the same degree in the current year.

The shareholders will note alterations in the wording of several items in the Balance Sheet as compared to previous years. These changes were made in order to conform to the regulations of the new Dominion Companies' Act, which came into effect October 1, 1934.

The plants of the Company have been maintained in first-class condition.

The Directors wish to express their appreciation of the efforts of the staff and employees.

Respectfully submitted on behalf of the Board.

A. C. MATTHEWS,
President and Managing-Director.

CANADA MALTING

Balance Sheet,

ASSETS

CURRENT ASSETS:

Cash on hand and in banks	\$ 121,114.70	
Deposit with Trust Company on guaranteed investment certificates	175,000.00	
Investment in stocks and bonds, at cost (Market value \$111,700.00)	122,199.84	
Accounts receivable, less reserve	816,692.08	
Inventories, as determined and certified to by responsible officials of the Company, valued at approximate cost (which was less than market) less provision in respect of forward malt sales contracts:		
Malt, barley, etc.	\$1,241,869.65	
Coal, bags, etc.	21,717.24	1,263,586.89
		<u>\$2,498,593.51</u>
GRAIN EXCHANGE SEATS AND MEMBERSHIP IN CLEARING HOUSE, at cost		17,200.00
DEFERRED CHARGES:		
Prepaid taxes, etc.	\$ 23,559.95	
Machinery repair parts and office supplies	20,000.00	
		<u>43,559.95</u>
FIXED ASSETS, based on appraised depreciated values as reported by Canadian Appraisal Company Limited as at June 25, 1927, plus subsequent additions at cost—		
Land	\$ 207,384.00	
Buildings	2,397,341.82	
Plant and equipment	1,853,265.90	
	<u>\$4,457,991.72</u>	
Less—Reserve for depreciation	951,738.66	
		<u>3,506,253.06</u>
		<u>\$6,065,606.52</u>

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have examined the books and accounts of Canada Malting Co. with all the information and explanations which we have required; and up so as to exhibit a true and correct view of the state of the company's affairs and the explanations given to us and as shown by the books of the company.

TORONTO, October 18, 1934.

NG CO., LIMITED

July 31, 1934

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accrued liabilities	\$ 56,551.72	
Municipal and other taxes	927.31	
Reserve for Dominion and Provincial income taxes	112,000.00	
		\$ 169,479.03

CAPITAL AND SURPLUS:

Capital Stock	\$4,441,960.00	
Represented by 198,972 shares without nominal or par value. (Authorized 200,000 shares)		
Capital Surplus (no entries in this account during the year)	797,676.01	
		\$5,239,636.01

Earned Surplus:

Balance as at Aug. 1, 1933	\$ 338,107.52	
Less—Additional income tax paid in respect of prior years	3,476.51	
		\$ 334,631.01

Add—Net profit for the year ending July 31, 1934, as per statement attached	620,384.31	
		\$ 955,015.32

Deduct—Dividends paid during the year	298,523.84	656,491.48
		5,896,127.49

Approved on behalf of the Board.

A. C. MATTHEWS, Director.

H. C. HATCH, Director.

\$6,065,606.52

Limited for the year ending July 31, 1934, and have been furnished
ve report that, in our opinion, the above balance sheet is properly drawn
fairs as at July 31, 1934, according to the best of our information and

PRICE, WATERHOUSE & CO.,
Chartered Accountants.

CANADA MALTING CO., Limited

*Statement of Profit and Loss
For the Year Ending July 31, 1934*

PARTICULARS	AMOUNT
Profit from operations after charging all manufacturing, administrative, selling and general expenses and after provision for inventory deduction in respect of forward malt sales contracts, but before providing for directors' fees, depreciation, and income taxes	\$917,680.68
Income from investments	17,043.63
	<u>\$934,724.31</u>
<i>Deduct—</i>	
Directors' fees	\$ 2,340.00
Provision for depreciation of buildings, plant and equipment	200,000.00
Provision for Dominion and Provincial income taxes	112,000.00
	<u>314,340.00</u>
NET PROFIT <i>for the year</i>	<u><u>\$620,384.31</u></u>



